

Introduction of the “Windfall Profits and Consumer Assistance Act of 2005”  
Statement of Representative Edward J. Markey of Massachusetts  
Wednesday, November 9, 2005

Mr. Speaker, in the coming weeks, Democrats will be laying out a comprehensive energy strategy and a vision for America’s energy future. Today, Representative Rahm Emanuel and I are beginning that process by introducing a bill that would impose a windfall profits tax on the oil industry.

The Windfall Profits and Consumer Assistance Act of 2005 would impose a windfall profits tax on oil companies on oil sold above \$40 a barrel. Our bill would then use half of the revenue generated by this tax to fund a tax rebate for all American consumers to help them deal with their high gas and energy costs. Our bill would use the other half of the tax revenue to supplement funding for the Low-Income Home Energy Assistance Program that helps poor families and seniors of fixed incomes pay their energy bills.

Now more than ever, huge sums of money are gushing into the pockets of the oil and gas industry. Exxon and Shell recently reported third quarter profits that were \$2 and \$3 billion more than the greatest quarterly profits we have ever seen, from any company, in the history of the world. These historic profits are coming as the result of oil prices that are currently around \$60 a barrel and have recently been near \$70 a barrel.

Meanwhile, American consumers are facing astronomical prices at the pump and with winter coming, an impending home heating crisis. According to projections in the Energy Information Administration’s recently released “Short-Term Energy Outlook and Winter Fuels Outlook,” home heating oil prices are likely to be 31.5 percent higher than they were last year. This increase translates into an average consumer expenditure of \$1,577 – an increase of \$378 over last winter. Moreover, last year only 15.6 percent of households eligible for the Low Income Home Energy Assistance Program nationwide were served. We can and must do better in addressing the additional burden that both average consumers and low-income consumers will face as a result of the current price increases.

Our bill would take a portion of the historic high profits that oil companies are making and use it to help the millions of American consumers who are bearing the brunt of high energy costs. Our bill will help reverse the Bush Administration’s policy to “Leave No Oil Company Behind” and would provide relief to American consumers who are paying the price for the Republican Party’s energy mistakes.

Thank you.